

GENERAL COUNSEL'S REPORT

November 14, 2012

- A. Memphis Gastroenterology Endoscopy Center East, Memphis (Shelby County), TN – CN0406-059A**
Request for modification of the Certificate of Need to permit gastroenterologists other than their own group to perform some procedures in their facility.

CN0406-059A was filed as a relocation of CN0309-078A which was unanimously approved on November 19, 2003 for the establishment of the ASTC, was not implemented. CN0406-059A was unanimously approved August 25, 2004 to expand the procedure rooms from four (4) to six (6) to be located within the private practice office of Memphis Gastroenterology Group, PC, limited to the endoscopy outpatients of that group. The project was implemented on November 30, 2005 with a final project cost of \$4,794,559.00.

DEFERRED FROM OCTOBER MEETING

2012 SEP 28 PM 12:04

September 28, 2012

Melanie M. Hill, Executive Director
Tennessee Health Services and Development Agency
Andrew Jackson State Office Building, Suite 850
500 Deaderick Street
Nashville, Tennessee 37243

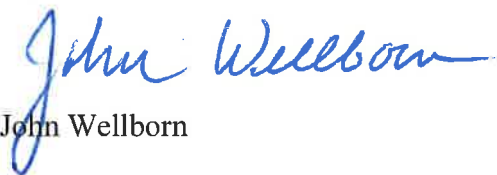
RE: Memphis Gastroenterology Endoscopy Center East
Request to Modify CN0406-059A

Dear Mrs. Hill:

This letter transmits a request by Dr. Lawrence Wruble of the subject facility, asking for a modification of their 2004 CON to permit gastroenterologists other than their own group to perform some procedures there.

Dr. Wruble and the facility's Administrator, Angie Wilson, have asked me to assist in these communications. Please advise me of the process for them to follow, in seeking the modification proposed in Dr. Wruble's letter.

Sincerely,

A handwritten signature in blue ink that reads "John Wellborn". The signature is fluid and cursive, with the first name "John" and last name "Wellborn" clearly legible.

John Wellborn



www.memphiscgastro.com

Memphis Gastroenterology Group & Memphis Gastroenterology Endoscopy Center East

2012 SEP 28 PM 12: 04

September 27, 2012

Lawrence D. Wruble, M.D.
FACP, FACG

Myron Lewis, M.D.
FACP, MACG

Michael J. Levinson, M.D.
FACP, FACG

Edward L. Cattau, Jr., M.D.
FACG, FASGE

Richard S. Aycock, M.D.
FACG

Randall C. Frederick, M.D.

T. Carter Towne, M.D.

Gary A. Wruble, M.D.

Terrence L. Jackson, Jr., M.D.

Bryan F. Thompson, M.D.

Alex E. Baum, M.D.

Christopher D. Miller, M.D.

Conar P. Filton, M.D.

Angie B. Wilson, C.M.P.E.
Administrator

Melanie M. Hill, Executive Director
Tennessee Health Services and Development Agency
Andrew Jackson State Office Building, Suite 850
500 Deaderick Street
Nashville, Tennessee 37243

RE: Request for Modification of CN 0406-059A
Memphis Gastroenterology Endoscopy Center East

Dear Mrs. Hill:

This letter is to request modification of the subject Certificate of Need, with regard to its limitation to patients of Memphis Gastroenterology Group, P.C.

Memphis Gastroenterology Endoscopy Center East is an ambulatory surgical treatment center limited to endoscopy procedures for patients of Memphis Gastroenterology Group, P.C. It was developed several years ago at 8000 Wolf River Boulevard, Suite 200, in East Memphis, pursuant to an unopposed Certificate of Need granted by the CON Board in 2004 (CN0406-059A). Our group performed approximately 11,000 endoscopy procedures in the facility in FY2012.

We have always appreciated the CON agency's having authorized our facility. It provided a more satisfactory and a lower-cost service option for our patients. And we have observed that the great majority of outpatient endoscopies in this area have now migrated from hospital to ambulatory surgery center settings. As a result, this cost-effective option is now a patient expectation in our area.

Recently, three gastroenterologists of the University of Tennessee's Division of Gastroenterology asked if they could utilize our endoscopy center for a small number of outpatient procedures that they currently perform at Baptist Memorial Hospital in East Memphis, for lack of access to an endoscopy center in this area. They would like to perform 400 to 600 procedures per year here--for patients who due to insurance or co-pay factors need to find a lower-cost option in this sector of the city. Because the reported surgical utilization of Baptist Hospital in 2011 was more than 13,000 procedures, we do not think that such a small shift of low-margin endoscopy procedures would have any material impact on that facility.

8000 Wolf River Boulevard
Suite 200
Germantown, Tennessee 38138

901.747-3630
901.747-4149 fax

Accredited by



Request for Modification of CN 0406-059A
Page 2

Let me emphasize that we are not requesting removal of our limitation to endoscopy procedures. We are only requesting removal of our private-practice restriction, so that these three highly trained UT faculty gastroenterologists can offer their patients the same range of options that most other area gastroenterologists can offer. Please advise me of the procedure we should follow to have this considered at the staff and/or Board level during October.

Sincerely,

A handwritten signature in cursive script, appearing to read 'L. Wruble', written in dark ink.

Lawrence D. Wruble, M.D.
President

STATE OF TENNESSEE
HEALTH SERVICES AND DEVELOPMENT AGENCY



Certificate of Need No. CN0406-059A is hereby granted under the provisions of T.C.A. §68-11-1601, *et seq.*, and rules and regulations issued thereunder by this Agency.

To: Memphis Gastroenterology Group, P.C.
80 Humphreys Center, Suite 220
Memphis, TN 38120

For: Memphis Gastroenterology Endoscopy Center East

This Certificate is issued for: the relocation of a previously approved but unimplemented Certificate of Need for an ambulatory surgical treatment center from 6029 Walnut Grove Road, Suite 200, Memphis, Tennessee 38120 as approved in CN0309-078A to 8000 Wolf River Boulevard, Suite 200, Germantown, TN 38138. This project also includes an expansion from four (4) to six (6) procedure rooms at a cost of \$5,109,215 (of which \$2,269,325 is the actual capital cost, the balance representing the market value of existing equipment and leased space used in the project). The facility will be located within the private practice office of Memphis Gastroenterology Group and will be limited to endoscopy outpatients of that group. The procedure rooms and clinical areas will occupy approximately 9,500 SF of space and an additional 2,750 SF of support space adjoining the private practice office will be shared.

On the premises located at: 8000 Wolf River Boulevard, Suite 200
Germantown (Shelby County), TN 38138

For an estimated project cost of: \$5,109,215.00

The Expiration Date for this Certificate of Need is

October 1, 2006

or upon completion of the action for which the Certificate of Need was granted, whichever occurs first. After the expiration date, this Certificate of Need is null and void.

Date Approved: August 25, 2004

Chairman

Date Issued: September 22, 2004

Secretary

GENERAL COUNSEL'S REPORT

SUPPORT LETTERS

**Memphis Gastroenterology Endoscopy
Center East**

Memphis (Shelby County), TN

CN0406-059A

2012 OCT 29 AM 10 44
Office of the Executive Dean
Memphis, Knoxville, Chattanooga Campuses
910 Madison Avenue, Suite 1002
Memphis, TN 38163

October 25, 2012

Melanie M. Hill
Executive Director
Tennessee Health Services & Development Agency
500 Deaderick Street, Suite 850
Nashville, TN 37243

Re: Memphis Gastroenterology Group, P.C. CON

Dear Ms. Hill:

I write on behalf of the following gastroenterologists, who are members of the faculty of the University of Tennessee College of Medicine, and practice through UT Medical Group, Inc.:

Sufiyan Chaudhry, M.D.
Mohammad Ismail, M.D.
Joel Bessoff, M.D.

These physicians regularly provide services for patients enrolled in the Medicare and TennCare programs, both through local hospitals and on an ambulatory basis. Ambulatory surgical center space is, as I am sure you are aware, in limited supply. We have a number of patients who live in the area served by Memphis Gastroenterology, P.C., and we understand that there is capacity in their facility to permit us to endoscopies at their facility.

We further understand, however, that the certificate of need that was previously granted for Memphis Gastroenterology, P.C. is limited to that group's use of the facility. We would request that the Tennessee Health Services and Development Agency grant a removal of that limitation so as to allow our gastroenterologists to provide their services at that facility. Having permission to use that facility will mean that our patients will be more easily scheduled, at times convenient to them, and will allow for more cost-effective care as compared with hospital admissions.

As you may know, UT serves the general public in the West Tennessee area, and is engaged in training of future gastroenterologists serving patients throughout the State of Tennessee. Your grant of this modification of Memphis Gastroenterology Group's CON will assist us in serving our mission.

Thank you for consideration of this request.

Sincerely,



David Mark Stern, M.D.
Executive Dean



UT Medical Group, Inc.

Administration
1407 Union Avenue, Suite 700
Memphis, Tennessee 38104-3641
901-866-UTMG (8864) • Fax: 901-302-2783

2012 OCT 29 AM 10 43
October 25, 2012

VIA EMAIL TO mellanie.hill@tn.gov
AND FIRST CLASS MAIL

Melanie M. Hill
Executive Director
Tennessee Health Services & Development Agency
500 Deaderick Street, Suite 850
Nashville, TN 37243

Re: Memphis Gastroenterology Group, P.C. CON

Dear Ms. Hill:

I write on behalf of the following UT Medical Group, Inc. gastroenterologists:

Sufiyan Chaudhry, M.D.
Mohammad Ismail, M.D.
Joel Bessoff, M.D.

These physicians regularly provide services for patients enrolled in the Medicare and TennCare programs, both through local hospitals and on an ambulatory basis. Ambulatory surgical center space is, as I am sure you are aware, in limited supply. We have a number of patients who live in the area served by Memphis Gastroenterology, P.C., and we understand that there is capacity in their facility to permit us to endoscopies at their facility.

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As you may know, UTMG serves the general public in the West Tennessee area, and serves as the medical faculty practice plan for the University of Tennessee College of Medicine. As such, we are engaged in training of future gastroenterologists serving patients throughout the State of Tennessee. We operate exclusively on a nonprofit basis, for charitable, educational and scientific purposes. Your grant of this modification of Memphis Gastroenterology Group's CON will assist us in serving our mission.

Melanie M. Hill
October 25, 2012
Page 2

Thank you for consideration of this request.

Sincerely,



James Lacey Smith, M.D.
Chief Executive Officer

i:_shared\legal\correspondence\melanie hill.docx

GENERAL COUNSEL'S REPORT

November 14, 2012

B. McCabe Eye Surgery Center, Murfreesboro (Rutherford County), TN — CN1007-029A

Request for a fourteen (14) month extension of the expiration date from December 1, 2012 to February 1, 2014 and a cost increase of \$397,884 from \$2,189,761 to \$2,587,645. This project was approved by a vote of 10-0-1 on October 27, 2010 for the establishment of an ambulatory surgical treatment center (ASTC) limited to ophthalmic procedures with one (1) operating room in a medical office building being constructed at an unaddressed site. This project replaced unimplemented Certificate of Need (CN0807-042A).

2012 OCT 30 PM 2 49

October 30, 2012

Melanie M. Hill, Executive Director
Tennessee Health Services and Development Agency
Andrew Jackson State Office Building, Suite 850
500 Deaderick Street
Nashville, Tennessee 37243

RE: CN1007-029A for McCabe Eye Surgery Center, Murfreesboro

Dear Mrs. Hill:

The subject CON, which is for the only eye surgery center yet granted in Rutherford County, was unanimously approved approximately two years ago. It expires December 1, 2012. Craig McCabe, M.D. is the owner of the LLC that holds this CON. I am writing at Dr. McCabe's direction, to request both a 14-month extension of its expiration date and to request a small cost increase. This request is urgent because the November 14 meeting is his last opportunity for an extension before the CON expires, and he is now ready to start construction.

Nature of the Changes

Attached are several items that show the design and cost changes in the project since it was granted. Also attached is an updated proof of financing. Dr. McCabe asks that the Board be aware of the following:

- This is his first request for an extension or a cost increase.
- The amount of the cost increase is small in terms of what the Agency has routinely seen in other projects.
- The construction cost per square foot remains well within the HSDA's range for approved ASTC projects.
- No change is occurring in approved clinical scope; it still has only one "Class C" O.R.
- Dr. McCabe has spent more than \$500,000 to date to carry the project through final plan approval, which is now imminent (see attached letter from architect).
- The contractor (Hardaway Construction Corp.) has priced the project through subcontractors, has drafted the construction contract with a firm price, and is ready to start construction. Even the building permit is ready to be issued.
- His bank loan is ready to close immediately after the HSDA approves this request.

Page Two
October 30, 2012

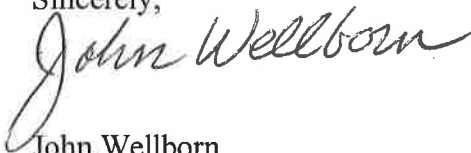
Reasons for the Delay

The application originally estimated a start of construction more than a year ago. Dr. McCabe cites the following three reasons for his delay and for the project cost increases. He will be present at the meeting to respond to any questions the Board may have.

1. Dr. McCabe chose to develop a LEED-certified building to conserve energy and offer life-cycle cost savings. To the best of his knowledge, this will be the first LEED-certified healthcare structure or medical office building developed in all of Rutherford County. But it required unanticipated lengths of time to accomplish. It required special architectural and engineering specifications and energy modeling studies, and the preparation of extensive documentation for purposes of obtaining the LEED certification after construction. It required planning with the contractor to source all building materials within 500 miles of the project site to limit transportation energy consumption. It caused a constant evolution of the building plans. It increased the front-end costs for certain building components, even though that will be offset by life-cycle operating cost reductions. Overall, the pursuit of this desirable level of quality and environmental responsibility has added months to the planning of the project.
2. During the process, Dr. McCabe's building architect had a sudden heart attack and his absence and recovery period added many weeks to the planning processes described above.
3. Dr. McCabe engaged a specialized design team for the interior floor plan for the project; and coordination between that firm and the building architect added more delay to the development process. Several redesigns proved necessary to achieve the client's goals and to file final plans for State licensure review.

At this time, Dr. McCabe is ready and able to commit to the financing and to proceed with construction and full project implementation. He requests favorable consideration from the HSDA Board for his efforts and expenditures to date, and hopes that he will be allowed to continue the project to improve care for his patients at his new practice location.

Sincerely,

A handwritten signature in cursive script that reads "John Wellborn". The signature is written in dark ink and is positioned above the printed name and title.

John Wellborn
CON Consultant

PROJECT COSTS CHART--McCABE EYE SURGERY CENTER

A. Construction and equipment acquired by purchase:

2012 OCT 30 11:48 AM
Approved Oct 2010

Proposed Nov 2012

1. Architectural and Engineering Fees	\$ 67,080	70,514
2. Legal, Administrative, Consultant Fees (Excl CON Filing)	82,350	93,228
3. Acquisition of Site	0	0
4. Preparation of Site	0	0
5. Construction Cost	838,500	957,205
6. Contingency Fund	83,850	95,721
7. Fixed Equipment (Not included in Construction Contract)	210,000	250,000
8. Moveable Equipment (List all equipment over \$50,000)		
9. Other (Specify) <u>inspection & testing fees</u>	0	18,795

B. Acquisition by gift, donation, or lease:

1. Facility (inclusive of building and land)	871,021	1,051,810
2. Building only		
3. Land only		
4. Equipment (Specify) _____		
5. Other (Specify) _____		

C. Financing Costs and Fees:

1. Interim Financing*	32,045	44,563
2. Underwriting Costs		
3. Reserve for One Year's Debt Service		
4. Other (Specify) _____		

D. Estimated Project Cost (A+B+C)

2,184,846	2,581,836
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E. CON Filing Fee

4,916	5,809
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F. Total Estimated Project Cost (D+E)

TOTAL \$ 2,189,762	2,587,645
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*\$1,485,463 (Sec. A) X .5 X 1 yr X 6%

Actual Capital Cost
Section B FMV

1,318,741	1,535,835
871,021	1,051,810

2012 OCT 30 PM 2 49

McCabe Eye Surgery Center (Murfreesboro) Private Practice, 1 O.R. Eye Surgery Center CN1007-029A			
	Approved Project	Proposed Project	Change
Operating Rooms	1 O.R.	1 O.R.	No Change
Facility Size	4,300 SF	5,100 SF	+ 18.8%
Construction Cost PSF of Buildout	\$195.00 PSF	\$187.32 PSF*	- 4%
Total Construction Cost of Buildout	\$838,500	\$957,205	+ 14.2%
Actual Capital Expenditure	\$1,318,741	\$1,535,835	+ 16.5%
CON Cost Including Value of Leased Space	\$2,189,761	\$2,587,645	+ 18.2%
Opening Date	11-1-11	11-1-13	NA

***HSDA Registry--ASTC Average Construction Costs**

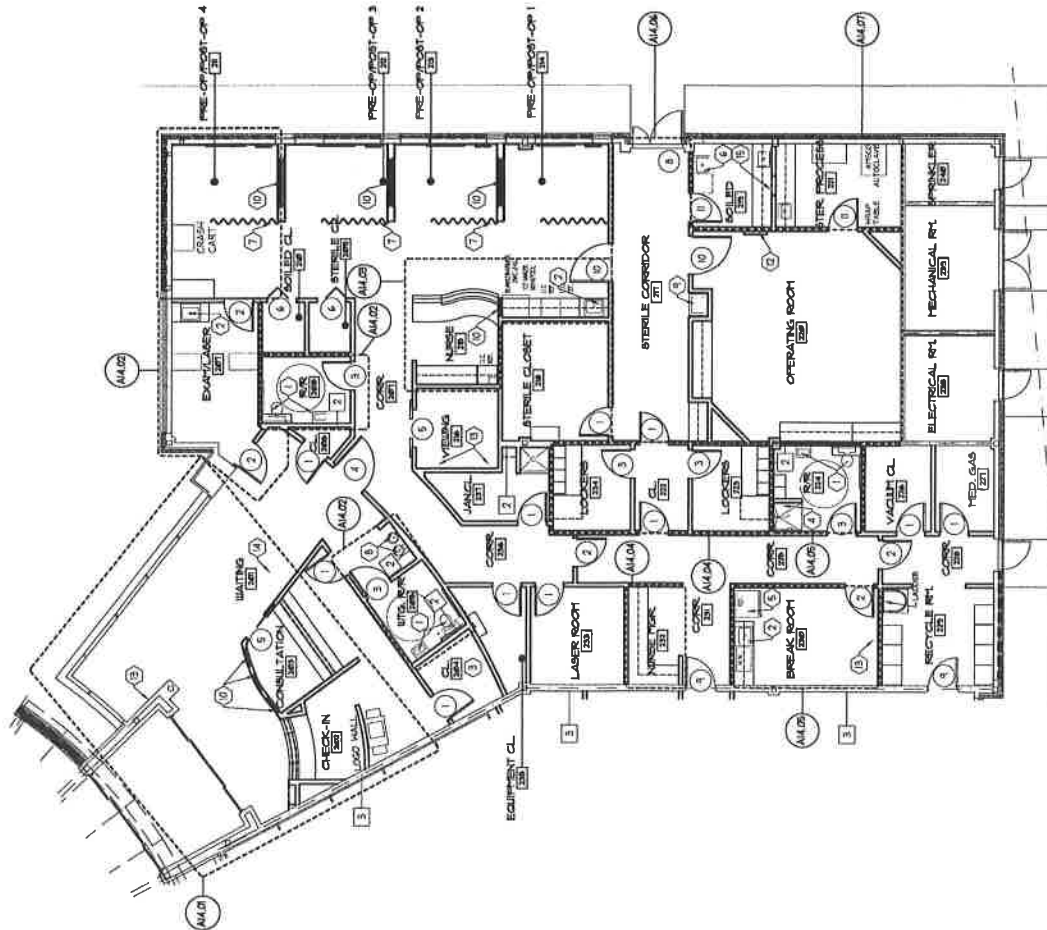
Ambulatory Surgical Treatment Center Construction Cost Per Square Foot
Years: 2009 - 2011

	Renovated Construction	New* Construction	Total Construction
1st Quartile	\$40.09/sq ft	\$200.00/sq ft	\$54.06/sq ft
Median	\$100.47/sq ft	\$252.74/sq ft	\$134.57/sq ft
3rd Quartile	\$195.00/sq ft	\$371.75/sq ft	\$252.74/sq ft

Source: CON approved applications for years 2009 through 2011

ALL WALLS ARE ☐ 1 UNLESS NOTED OTHERWISE

2012



NOTE: ALL CASEWORK (BASE AND WALL CABINETS) EXPOSED SURFACES SHALL BE LAMINATE, SQUARE EDGE, EXPOSED EDGES THAT ARE LOCATED IN HIGH TRAFFIC AREAS ARE TO BE BOUNDED OFF

4	4'-0" X 7'-0"	A	SC4	HT	B	-	OPAQE GLASS
5	2'-0" X 7'-0"	YES	SC4	GL	B	-	
6	3'-0" X 7'-0"		SC4	HT	A	-	
7	CRITTED		-	-	-	-	
8	3'-0" X 7'-0"	A	SC4	HT	D	-	
9	3'-0" X 7'-0"	A	SC4	HT	60 THIN	A	1 ST LABEL 60 THIN DOOR
10	4'-0" X 7'-0"	D	SC4	HT	B	-	AUTOMATIC DOOR
11	3'-0" X 7'-0"	D	SC4	HT	B	-	

MATERIAL LEGEND

KNOCK DOWN
 HOLLOW METAL
 HOLLOW CORE WOOD
 WIRE GLASS
 SOLID CORE WOOD
 ALUMINUM
 STEEL INSULATED
 TEMPERED GLASS

HARDWARE NOTES

1	PANIC HARDWARE
2	CLOSER
3	MAGNETIC HOLD OPEN
4	COAT HOOK

4 WHAT ABOUT HARDWARE TYPES

HARDWARE TYPES	
A	LOCKSET WITH DOOR STOP, LEVER HARDWARE
B	LATCHSET WITH DOOR STOP, LEVER HARDWARE
C	PRIVACY SET WITH DOOR STOP, LEVER HARDWARE
D	PANIC HARDWARE W/ REBATES RAS

© 2004 Blackwell Publishing Ltd *Journal of Internal Medicine* 255: 101–108

VERIFY THE EXISTING SPACE PRIOR TO PRICING OR ORDERING MATERIALS.

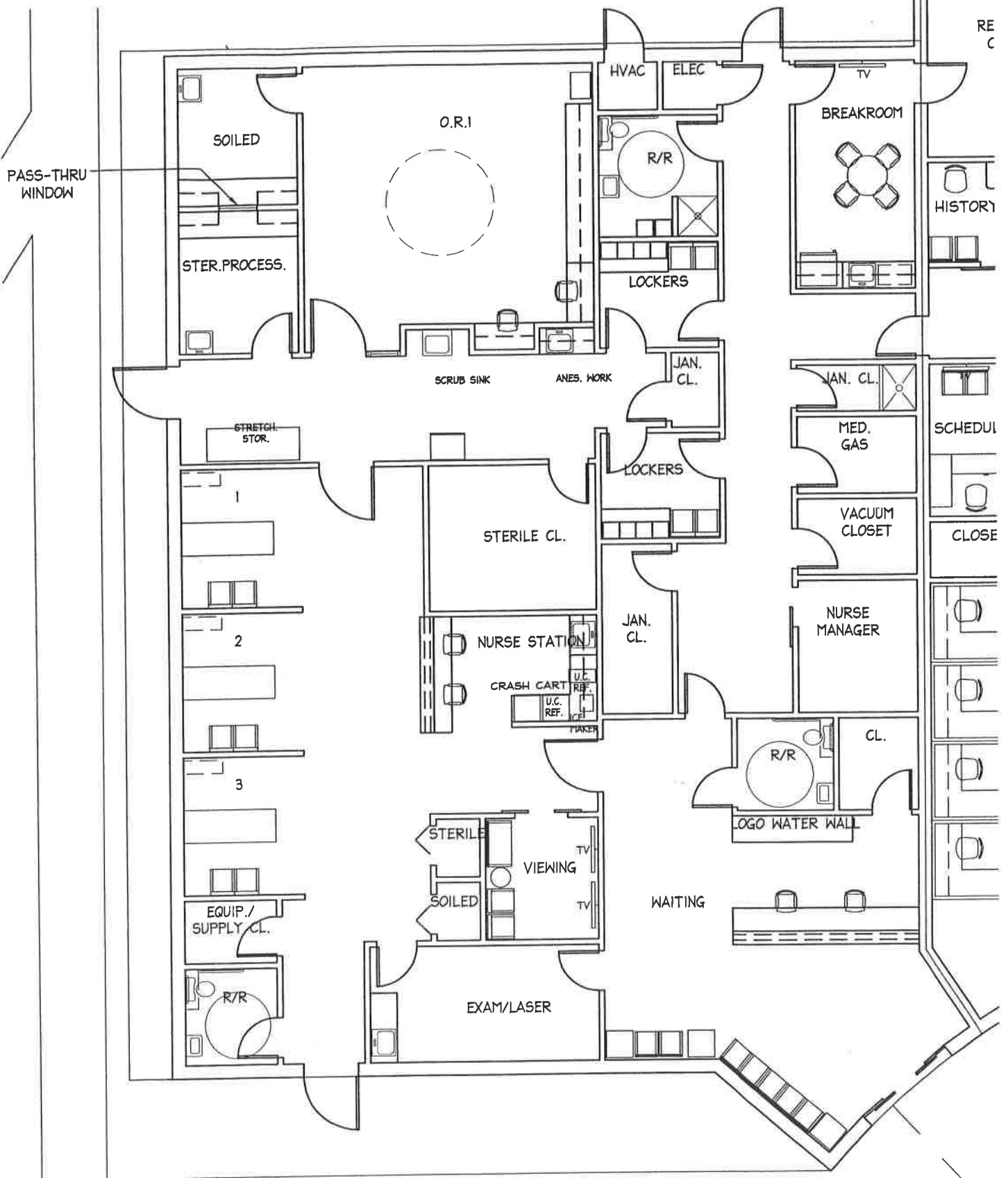
G11	DOOR LEGEND & SCHEDULE
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NTS	AP 02
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- ① PROVIDE ADA COMPLIANT TOILET, LAVATORY, GRAB BARS, AND ACCESSORIES. SEE DA 44.07.
- ② PROVIDE STAINLESS STEEL SINK. PROVIDE PLUMBING AS REQUIRED.
- ③ PROVIDE ADJUSTABLE SHELVES (5 HIGH).
- ④ PROVIDE 3' X 5' PORCELAIN TILE SHOWER. PROVIDE PLUMBING AS REQUIRED. SEE DA 44.07.
- ⑤ REFRIGERATOR - PROVIDE MAINLINE FOR ICE MAKER. PROVIDE PLUMBING AS REQUIRED.
- ⑥ PROVIDE WALL-MOUNTED SINK.
- ⑦ PROVIDE TRACK FOR CUBICLE CURTAIN.
- ⑧ PROVIDE H-I-O DRINKING FOUNTAIN.
- ⑨ SLOUB SINK.
- ⑩ 3/8"X1" PANELS TO BE RECESSED WITHIN WALL AND BACKLIT. SEE CORRESPONDING ELEVATIONS FOR MORE INFORMATION.
- ⑪ OMTED.
- ⑫ 1 PANEL RECESSED X-RAY VIEWER.
- ⑬ PROVIDE BLOODING FOR WALL MOUNTED TELEVISION MONITOR AS REQUIRED.
- ⑭ CEILING MOUNTED TELEVISION MONITOR.
- ⑮ THE PASS-THRU IN THE SOILED ROOM SHALL BE INSTALLED 60 THE COMBINATION IS SMOOTH BETWEEN THE SOILED AND STERILE ROOMS.

CURRENT PLAN
2012

APPROVED 2014



MCCABE SURGERY CENTER - PRELIMINARY 13

SCALE: N.T.S.

FILE: 09-120

MURFREESBORO, TN

ARCHITECTURAL
ENVIRONMENTS

ARCHITECTURE + INTERIOR DESIGN

1806 31ST AVENUE SOUTH, NASHVILLE, TN 37212

P: 615.820.4420



MCCABE'S VISION CENTER
BUILDING COST BREAKDOWN
OCTOBER 16, 2012

<u>Area</u>	<u>Square Footage</u>	<u>Cost</u>	<u>Cost/S.F.</u>
Building Shell	17,172 S.F.	\$2,519,534	\$146.73/S.F.
Clinic Suite	12,062 S.F.	\$2,322,407	\$192.54/S.F.
Surgery Suite	5,110 S.F. ✓	\$ 957,205 ✓	\$187.32/S.F. ✓
Total	17,172 S.F.	\$5,799,146	\$337.71/S.F.

This cost breakdown is for accounting purposes only.



Melanie M. Hill, Executive Director
Tennessee Health Services and Development Agency
Andrew Jackson State Office Building, Suite 850
500 Deaderick Street
Nashville, Tennessee 37243

October 29, 2012

RE: McCabe Eye Surgery Center

Dear Mrs. Hill:

This letter is to provide assurance that Pinnacle National Bank is familiar with the McCabe Eye Surgery Center project proposed by Dr. Craig McCabe in a new medical office building to be constructed on a lot near the intersection of Medical Center Parkway and Memorial Blvd. here in Murfreesboro.

Upon submittal and approval of a formal financing application, we would expect to be able to provide McCabe Eye Surgery Center, LLC (wholly owned by Dr. McCabe) with both construction and permanent financing for the eye surgery center. We understand that the financing need for the surgery center could be up to \$1,540,000 of initial funding, separate from any funding of the office building itself.

The loan package on this project would of course reflect market conditions at the time of loan closing. Based upon market conditions at this writing, we could finance this type of project at an interest rate of approximately 4.40% fixed for ten (10) years based upon a twenty (20) year amortization schedule. Attached is an amortization schedule reflecting the estimates herein.

Dr. McCabe is a valued client of our bank and we look forward to helping him with the financing of this project.

Sincerely,



Rodney Barrett
Senior Vice President



ARCHITECTURAL ENVIRONMENTS, PLLC
6 CADILLAC DRIVE . SUITE 200
BRENTWOOD, TN 37027
T - 615-820-4420 . F - 615-820-4426
www.aenashville.com

10/30/2012

John Wellborn
Development Support Group
4219 Hillsboro Road, Suite 203
Nashville, TN 37215

RE: McCabe Vision Center
PROJECT NO: AE09-120

Dear Mr. Wellborn:

The current status for the McCabe Vision project would be "under review" by the State Health Department. The plans were submitted to the State Health Department on August 7th. I received a letter from the State Health Department on September 25th requesting that two clarifications be added to the plans. The plans were resubmitted (including the clarifications) on October 4th. Now that the State has the revised plans, I am hopeful that the approval will be sent shortly. I will let you know as soon as I have something to report.

Please do not hesitate to call me with any questions or comments.

Sincerely,

David McGill
Sr. Project Manager

Enc.

AFFIDAVIT

2012 OCT 30 PM 2 49

STATE OF TENNESSEE

COUNTY OF DAVIDSON

NAME OF FACILITY: MCCABE EYE SURGERY CENTER

I, John Wellborn, after first being duly sworn, state under oath that I am the applicant named in this Certificate of Need application or the lawful agent thereof, that I have reviewed all of the supplemental information submitted herewith, and that it is true, accurate, and complete.

John Wellborn
Signature/Title

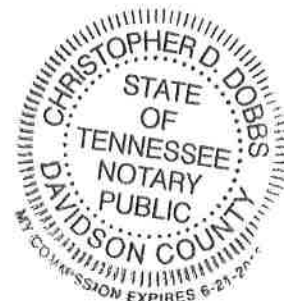
Sworn to and subscribed before me, a Notary Public, this the 30 day of Oct, 2012, witness my hand at office in the County of Davidson, State of Tennessee.

Christopher D. Dobbs
NOTARY PUBLIC

My commission expires 6-21, 2016.

HF-0043

Revised 7/02



STATE OF TENNESSEE
Health Services and Development Agency



Certificate of Need No. **CN1007-029A** is hereby granted under the provisions of T.C.A. § 68-11-1601, *et seq.*, and rules and regulations issued thereunder by this Agency.

To: McCabe Surgery Center, LLC
c/o McCabe Vision Center 122 Heritage Park Drive
Murfreesboro, TN 37219

For: McCabe Eye Surgery Center

This Certificate is issued for: The establishment of an ambulatory surgical treatment center (ASTC) limited to ophthalmic procedures in a medical office building being constructed at an unaddressed site on the south side of Medical Center Parkway, Murfreesboro (Rutherford County), TN approximately 300 yards west of its intersection with Memorial Boulevard (Highway 96). This project replaces unimplemented Certificate of Need (CN0807-042A) which will be surrendered. This project will include one (1) operating room. The project does not contain any major medical equipment or initiate or discontinue any other health service.

On the premises located at: Unaddressed site on Medical Center Parkway
Murfreesboro (Rutherford County), TN 37129

For an estimated project cost of: \$2,189,761.00

The Expiration Date for this Certificate of Need is

December 1, 2012

or upon completion of the action for which the Certificate of Need was granted, whichever occurs first. After the expiration date, this Certificate of Need is null and void.

Date Approved: October 27, 2010


Chairman

Date Issued: November 17, 2010


Executive Director

Ms. Weaver moved for deferral of the project to the December 15, 2010 meeting. Dr. Handorf seconded the motion. The motion CARRIED [11-0-0]. **DEFERRED**

AYE: Jordan, Wright, Burns, Johnson, Lammert, Handorf, Gaither, Weaver, Southwick,
Jones, Koella
NAY: None

CONSENT CALENDAR

Melanie Hill summarized the following Consent Calendar application:

Mr. Lammert recused.

Tennessee Quality Hospice - (Jackson, Madison County) - Project No. CN1008-036

The relocation of the parent office from 207B U.S. Highway 641, Camden (Benton County), TN to 29 North Star Drive, Suite G, Jackson (Madison County), TN. The current parent office location would become a branch office. The proposed parent office location is currently a branch office. Tennessee Quality Hospice is currently licensed to serve the following counties: Benton, Carroll, Cheatham, Chester, Crockett, Decatur, Dickson, Dyer, Gibson, Hardeman, Hardin, Haywood, Henderson, Henry, Hickman, Houston, Humphreys, Lake, Lauderdale, Lawrence, Lewis, Madison, Maury, McNairy, Montgomery, Obion, Perry, Stewart, Wayne, Weakley and Williamson. No new services are being initiated and no counties are being added to the licensed service area. Project Cost \$10,500.00.

Jerry W. Taylor, Esq., representing the applicant, was present on behalf of the project.

Dr. Handorf moved for approval of the project based on the criteria as described by Ms. Hill: 1) Need – The applicant has demonstrated the need to relocate the parent office from rural Benton County to a more urban Madison County is based on the need to be able to attract staff and better market the agency. This relocation will not result in the expansion of services; 2) Economic Feasibility – The project's only cost relates to the legal, administrative and application fees and is being funded through cash reserves; and 3) The project does contribute to the orderly development of adequate and effective health care as the applicant participates in Medicare and is a contracted in-network provider with TennCare. The project will not result in higher patient charges.

Ms. Weaver seconded the motion. The motion CARRIED [10-0-0]. **APPROVED**

AYE: Jordan, Wright, Burns, Johnson, Handorf, Gaither, Weaver, Southwick, Jones, Koella
NAY: None

CERTIFICATE OF NEED APPLICATIONS

Mark Farber summarized the following CON applications:

McCabe Eye Surgery Center - (Murfreesboro, Rutherford County) - Project No. CN1007-029

The establishment of an ambulatory surgical treatment center (ASTC) limited to ophthalmic procedures in a medical office building being constructed at an unaddressed site on the south side of Medical Center Parkway, Murfreesboro (Rutherford County), TN approximately 300 yards west of its intersection with Memorial Boulevard (Highway 96). This project replaces unimplemented Certificate of Need (CN0807-042A) which will be surrendered upon approval of this application. This project will include one (1) operating room. The project does not contain any major medical equipment or initiate or discontinue any other health service; and it will not affect any facility's licensed bed complements. Project Cost \$2,189,761.00.

Dr. Craig McCabe spoke on behalf of the project and John L. Wellborn, Consultant was present.

Mr. Lammert moved for approval of the project based on: 1) Need – The need has been demonstrated that there is additional operating room capacity needed in this area; 2) Economic Feasibility – The project's economic feasibility is met with a commercial loan; and 3) The project does contribute to the orderly

GENERAL COUNSEL'S REPORT

November 14, 2012

- C. **Renaissance Surgery Center of Chattanooga, Chattanooga (Hamilton County), TN — CN1007-033A**
Request for six (6) month extension of the expiration date from January 1, 2013 to July 1, 2013. This project was approved on November 17, 2010 by a vote of 6-1-1[Ayes=Jordan, Johnson, Lammert, Weaver, Jones & Koella; Nay=Gaither; Abstained=Wright] for the establishment of an ambulatory surgical treatment center (ASTC) with two (2) operating rooms and one procedure room limited to the delivery of outpatient ophthalmological, plastic, and podiatric surgical cases and procedures only. CONDITION: Limited to ophthalmologic, oculoplastics, and podiatric procedures. Project cost is \$852,003.00.

BAKER DONELSON
BEARMAN, CALDWELL & BERKOWITZ, PC

WILLIAM WEST
Direct Dial: (615) 726-5561
Direct Fax: (615) 744-5561
E-Mail Address: bwest@bakerdonelson.com

2012 OCT 30 AM 11: 59

BAKER DONELSON CENTER, SUITE 800
211 COMMERCE STREET
NASHVILLE, TENNESSEE 37201

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POST OFFICE BOX 190613
NASHVILLE, TENNESSEE 37219

PHONE: 615.726.5600
FAX: 615.726.0464

www.bakerdonelson.com

October 30, 2012

Ms. Melanie Hill
Executive Director
Tennessee Health Services and Development Agency
Suite 850
500 Deaderick Street
Nashville, TN 37243

Via Hand Delivery

Re: CON expiration extension request for certificate of need number CN1007-033, for the establishment of Renaissance Surgery Center, Chattanooga, Hamilton County, Tennessee, from January 1, 2013 to July 1, 2013

Dear Ms. Hill:

As you know, this firm represents Renaissance Surgery Center of Chattanooga, which received certificate of need number CN1007-033 in November 2010, for the establishment of a surgery center in Chattanooga, Hamilton County, Tennessee.

The construction on the surgery center has now been completed, pursuant to the requisite plans being approved by the staff of the Tennessee Board for Licensing Healthcare Facilities. However, due to some delaying issues regarding a sprinkler system required by Licensure for an outside carport parking area at the building housing this ASTC, the facility has not yet been licensed. The Licensing Board's architecture staff has approved the "as built" plans for this project. Since receiving that approval, the applicant has been in the process of receiving ASTC equipment necessary to set up its operations. The last few items of ASTC equipment have been arriving over the last several weeks.

The applicant now requests an extension of its certificate of need expiration date, currently January 1, 2013, in order to assure that its final survey, and the training and preparation of the staff that precedes the survey, will be completed prior to the expiration date of the certificate of need. While there is a significant chance that it may receive its license prior to January 1, 2013, the applicant believes that an extension of the CON expiration date to July 1, 2013 is necessary to protect it against any potential final licensure delays.

Therefore, on behalf of Renaissance Surgery Center of Chattanooga, we request that this extension request be placed on the agenda for the HSDA's November 13, 2012 meeting. Representatives from Renaissance Surgery Center will be present at that meeting to answer any

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Ms. Melanie Hill
October 30, 2011
Page 2

questions which members of the HSDA or the staff have. As always, if the staff has any questions about this request, I will be happy to address them.

Sincerely,

BAKER, DONELSON, BEARMAN,
CALDWELL & BERKOWITZ, PC

A handwritten signature in dark ink, appearing to read "William West", is written over the printed name.

William West

WHW/mhh

cc: Glenn Pomerance, MD

STATE OF TENNESSEE
Health Services and Development Agency



Certificate of Need No. **CN1007-033A** is hereby granted under the provisions of T.C.A. § 68-11-1601, *et seq.*, and rules and regulations issued thereunder by this Agency.

To: Renaissance Surgery Center of Chattanooga, LLC
1801 Gunbarrel Road
Chattanooga, TN 37421

For: Renaissance Surgery Center of Chattanooga

This Certificate is issued for: The establishment of an ambulatory surgical treatment center (ASTC) with two (2) operating rooms and one procedure room. This project will be limited to the delivery of outpatient ophthalmological, plastic, and podiatric surgical cases and procedures only. No major medical equipment or inpatient beds are affected by this project.

CONDITION: Limited to ophthalmologic, oculoplastics, and podiatric procedures.

On the premises located at: 1801 Gunbarrel Road
Chattanooga (Hamilton County), TN 37421

For an estimated project cost of: \$852,003.00

The Expiration Date for this Certificate of Need is

January 1, 2012

or upon completion of the action for which the Certificate of Need was granted, whichever occurs first. After the expiration date, this Certificate of Need is null and void.

Date Approved: November 17, 2010


Chairman

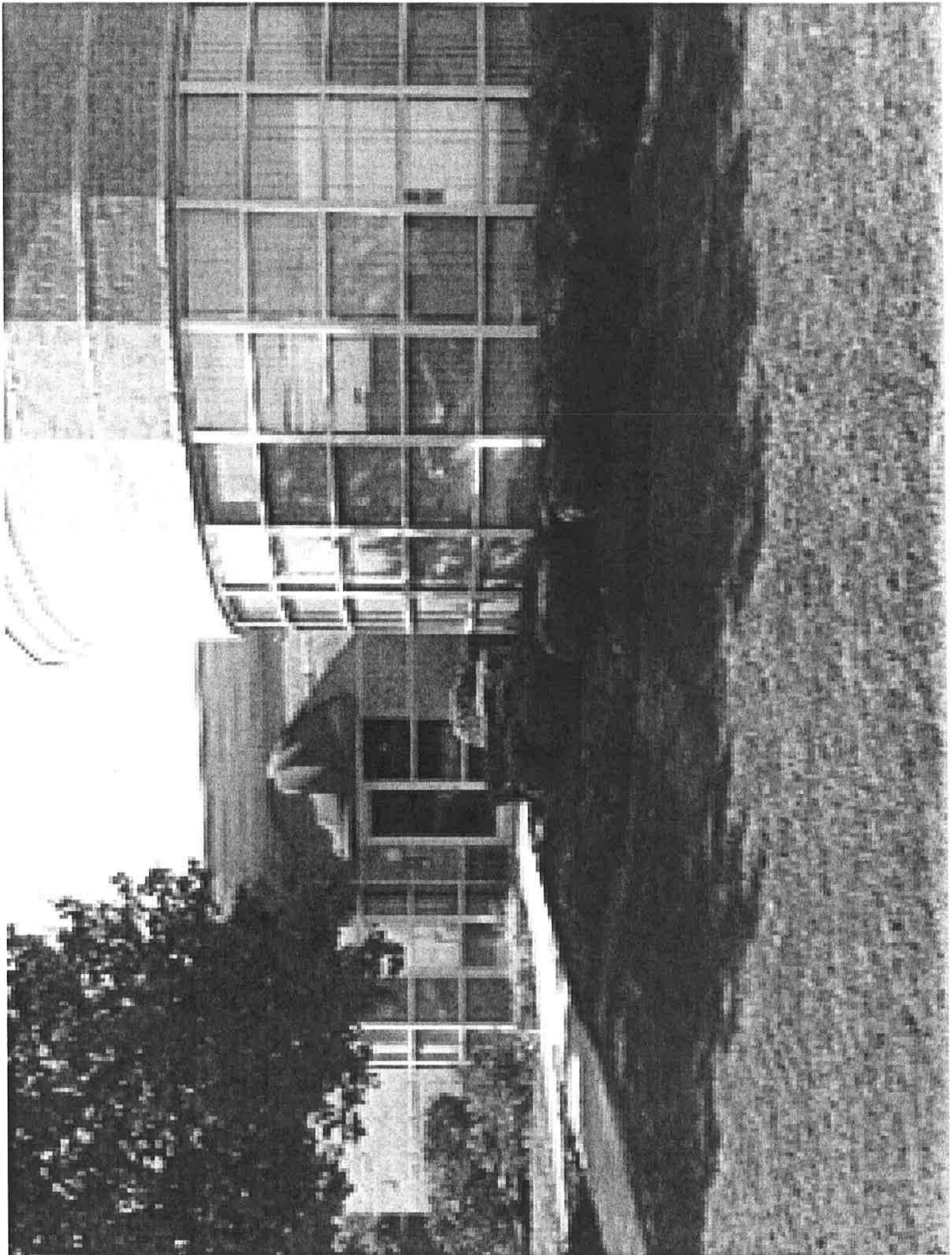
Date Issued: December 15, 2010


Executive Director

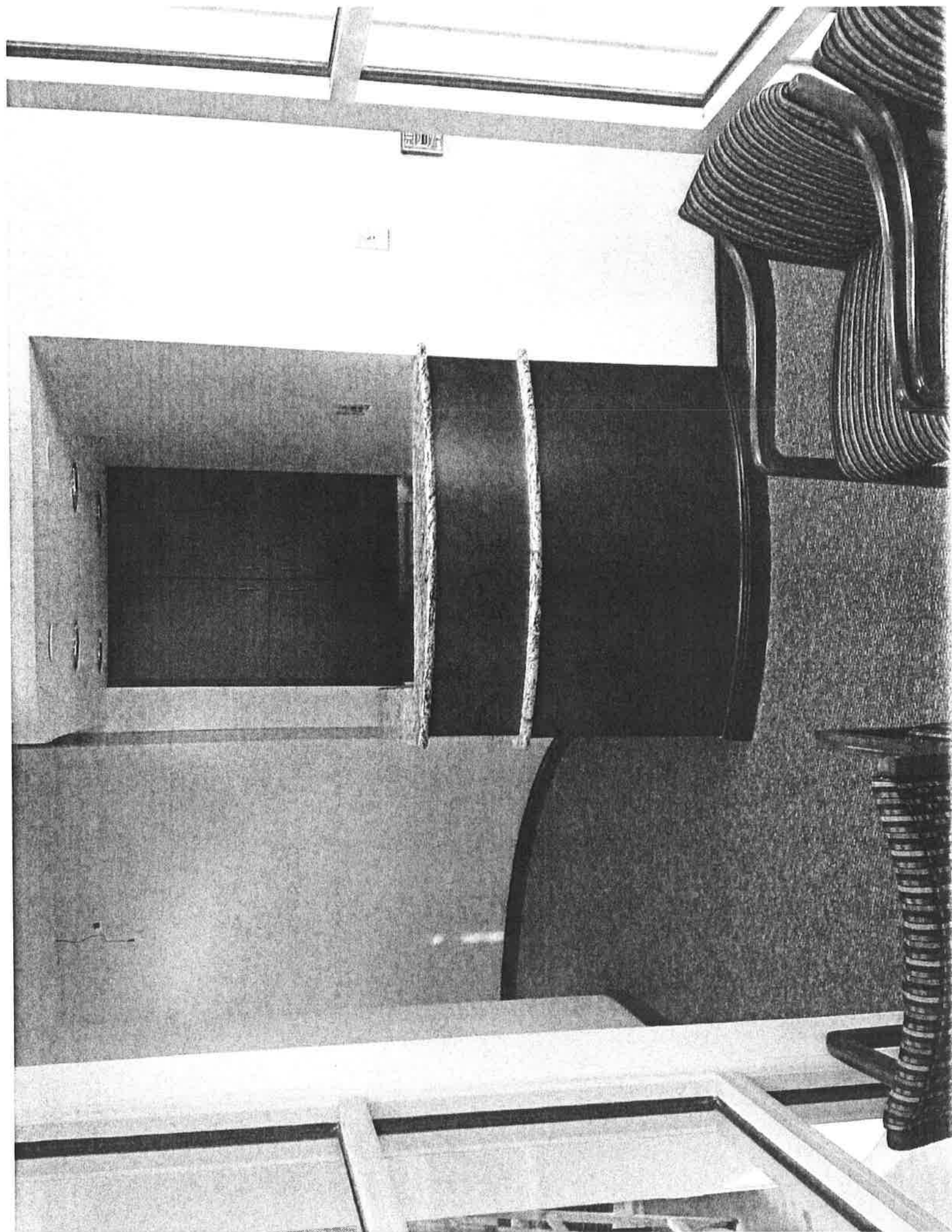


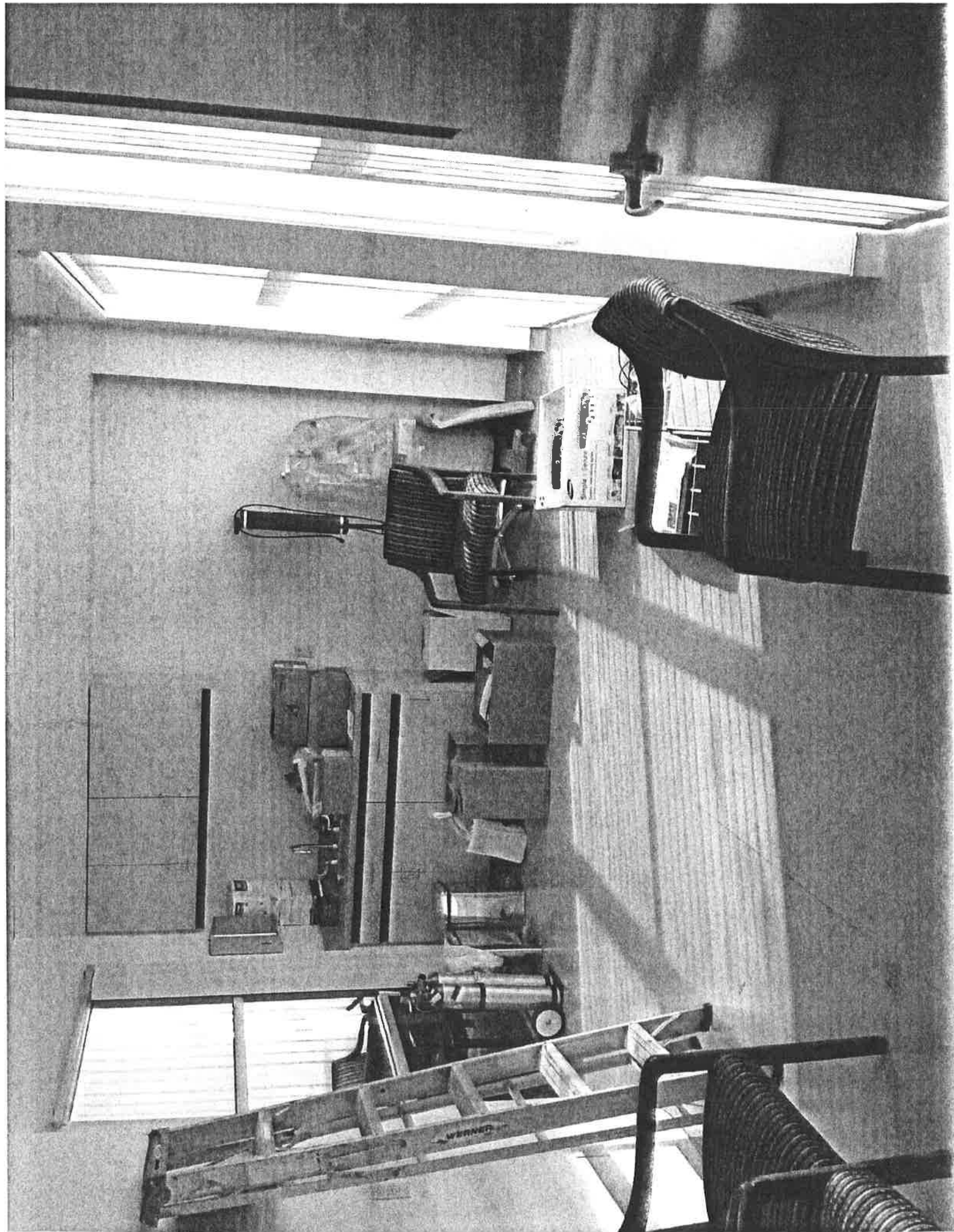
Renaissance Surgery Center of Chattanooga, LLC

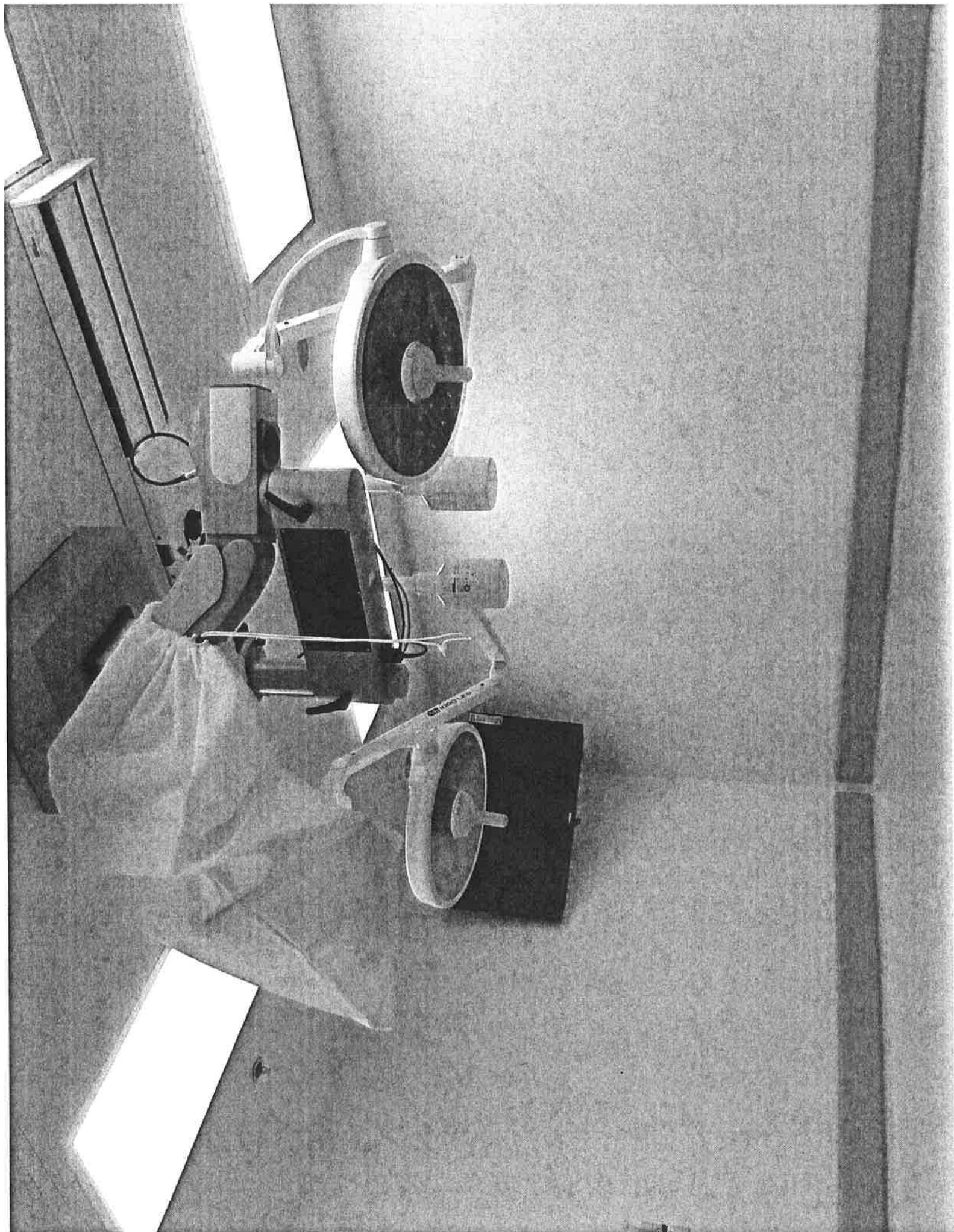
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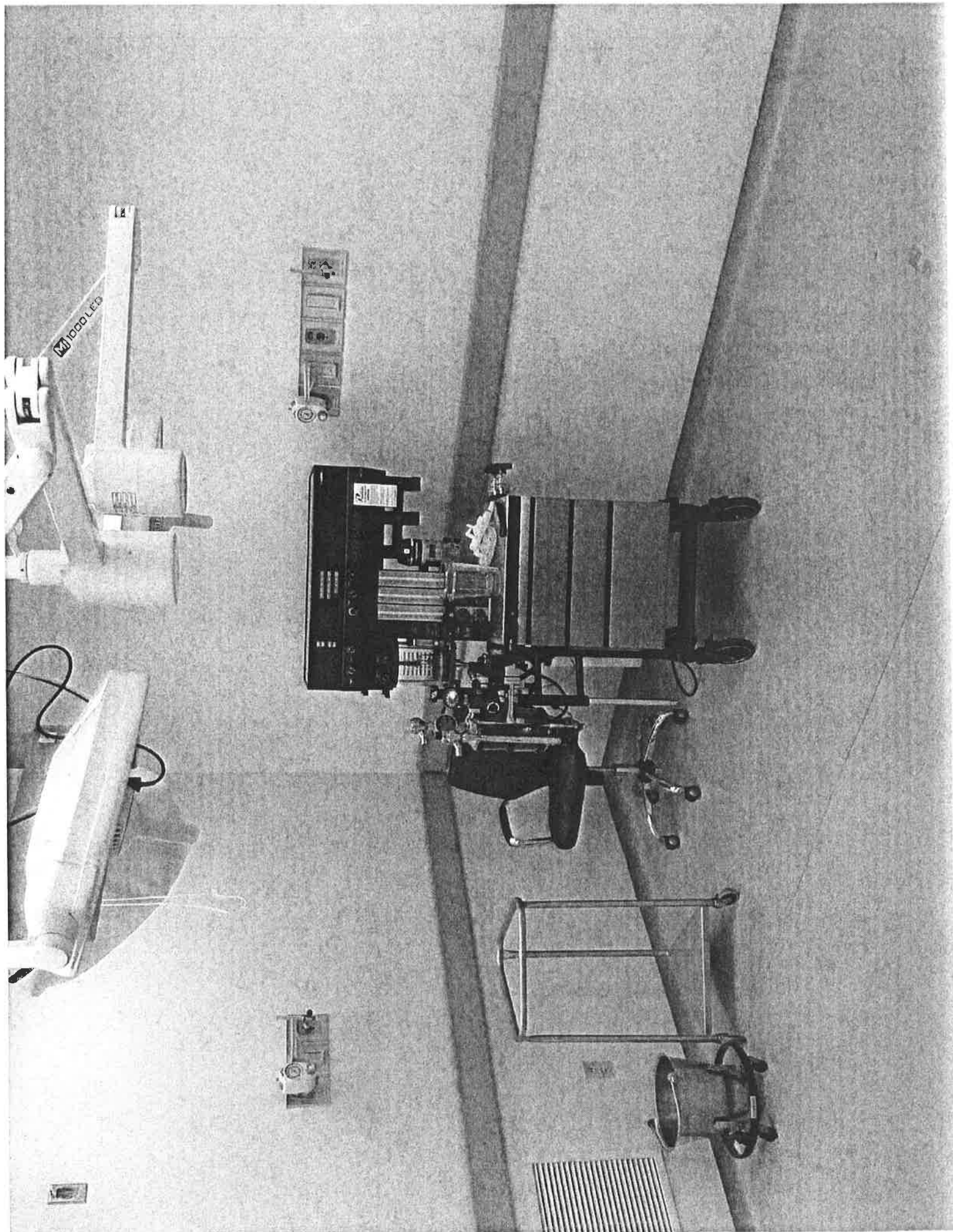


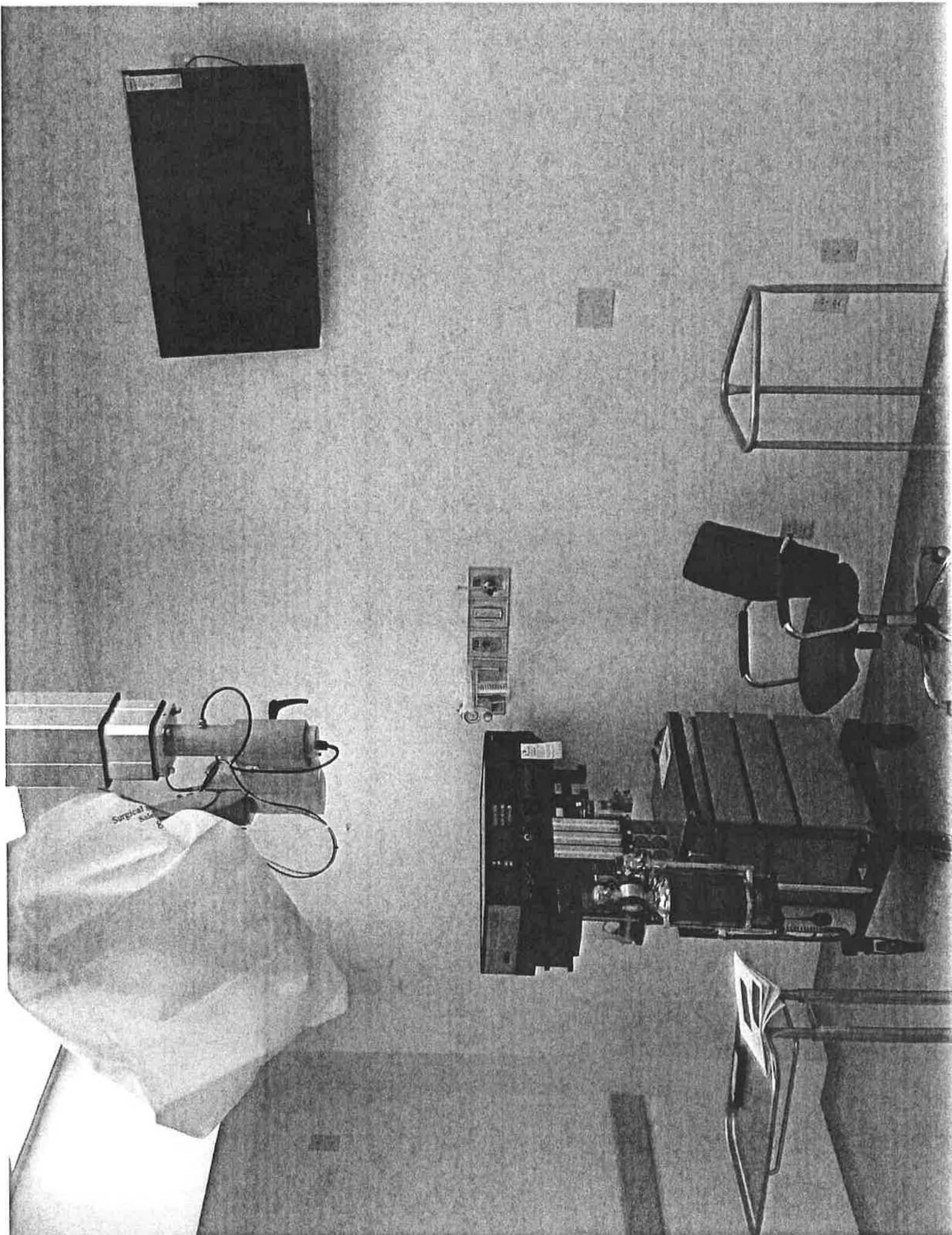


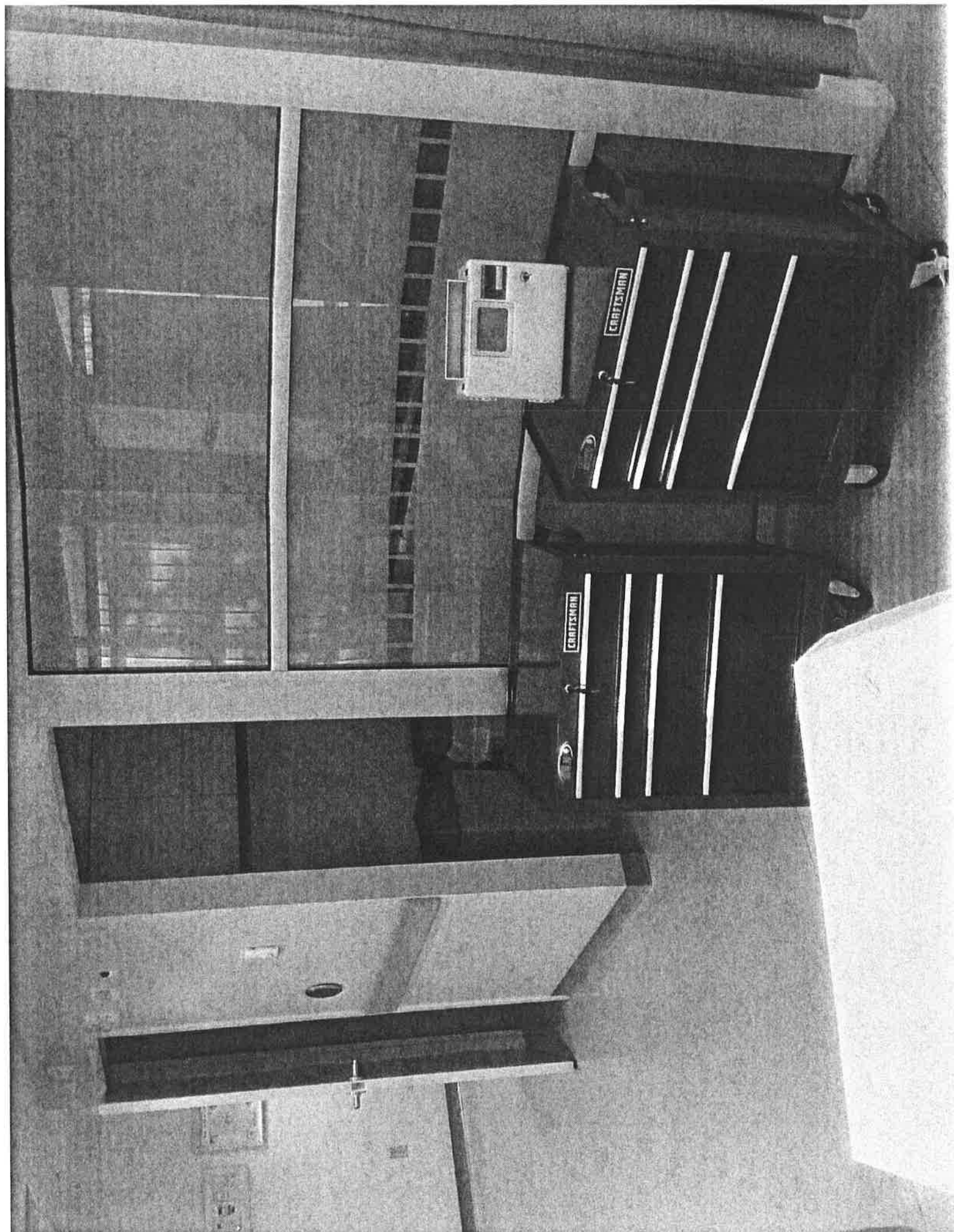














STATE OF TENNESSEE
DEPARTMENT OF HEALTH
BUREAU OF HEALTH LICENSURE AND REGULATIONS
DIVISION OF HEALTH CARE FACILITIES
710 HART LANE, 1ST FLOOR
NASHVILLE, TENNESSEE 37243
TELEPHONE (615) 741-6998
FAX (615) 253-1868

October 26, 2012

ARCHITECTURAL ENVIROMENTS, PLLC.
6 CADILLAC DRIVE, SUITE 290
BRENTWOOD, TN 37027

RE Project Name MCCABE SURGERY CENTER
Project Number 2012-09-04-01
City: MURFREESBORO County: RUTHERFORD
Type Approval: Architectural Approval
NOTE: PROVIDE SPRINKLER DRAWING & HYDRAULIC CALCULATIONS

Dear DAVID MCGILL:

The plans and specifications with notes for the referenced project appear to be in compliance with all applicable rules and regulations. This letter is your authority to begin construction in accordance with your approved plans. This approval does not relieve the owner or architect of the responsibility for any code deficiency which may have been missed during the plans review.

Final inspection requests shall be directed to Nelson Rodriguez at (615) 532-6882 a minimum of four (4) weeks prior to the date of the requested inspection. Prior to the final inspection, a CD or DVD disc of the final approved plans (with Health Department and Engineers stamps) including all shop drawings, sprinkler, hood and duct, calculations, addenda, specifications, etc., must be submitted to the Plans Review Section. The storage container and the disc must be labeled with the project name, assigned project number and county. In addition, a copy of the Final Inspection Checklist Completion Acknowledgment signature page must be received by the East Tennessee Regional Office prior to the Department of Health Final Inspection for Licensure/Occupancy.

The final inspection will not be conducted until the CD/DVD disc is received and approved.

A set of approved plans containing the Department's approval stamp must be available on the job site at the time of the final inspection.

If you have any questions, please contact the Plans Review Section for assistance.

Sincerely,

ALAN MCCARTHY
Facilities Construction Specialist III
Plan Review Section
Alan.Mccarthy@tn.gov

cc: Owner/Administrator
Regional Administrator

STATE OF TENNESSEE
DEPARTMENT OF HEALTH

FACSIMILE TRANSMITTAL SHEET

TO: John Wellborn FROM: Anna Baker

COMPANY: HSDA

DATE: 11-5-12

FAX NO: 665-2042

TOTAL NO. OF
PAGES INCLUDING
COVER 2

PHONE NO:

SENDER'S PHONE
NUMBER:

615-741-6998

SENDER'S FAX
NO:

253-1868

SUBJECT: Architectural Approval dated 10-26-11

☐ URGENT ☐ FOR REVIEW ☐ PLEASE COMMENT ☐ PLEASE REPLY ☐ PLEASE RECYCLE

NOTES/COMMENTS:

For 2012-09-04-01

I hope this helps!

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